

NSP GRANT SUBMISSION TEMPLATE **& CHECKLIST**

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

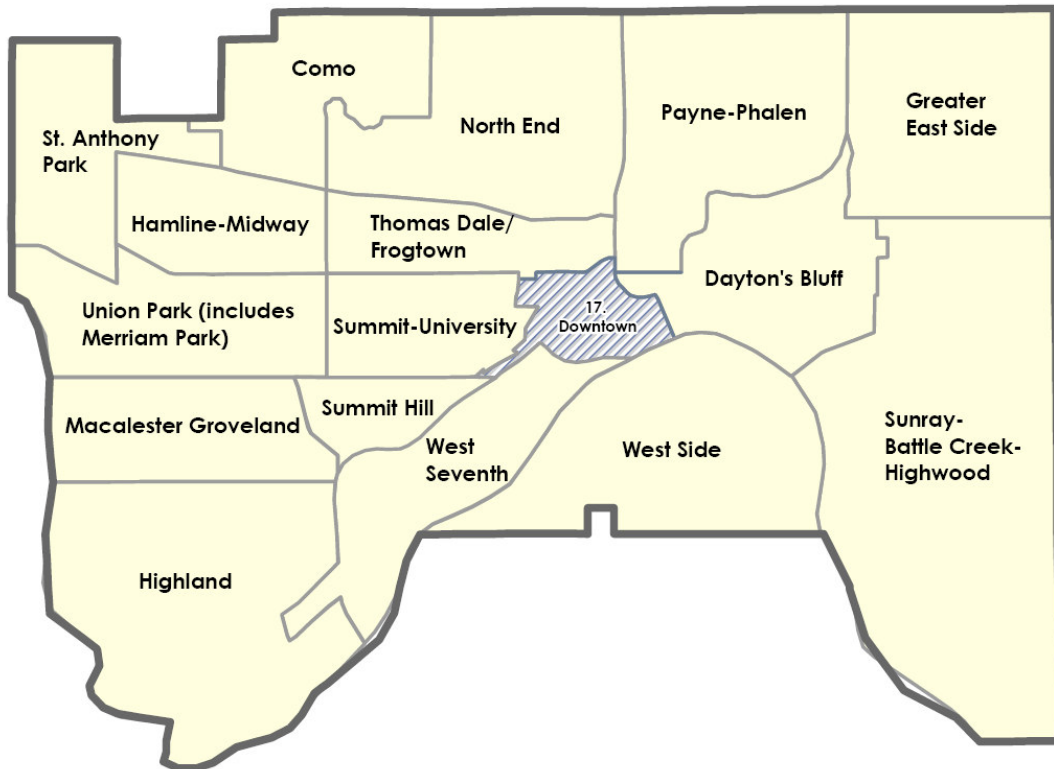
- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction: City of Saint Paul	<u>NSP Contact Person:</u> Tom Sanchez <u>Address:</u> 1100 City Hall Annex, 25 4 th St W., Saint Paul, MN 55102 <u>Telephone:</u> 651-266-6617 <u>Fax:</u> 651-228-3314 <u>Email:</u> tom.sanchez@ci.stpaul.mn.us
Jurisdiction Web Address: <ul style="list-style-type: none">• www.stpaul.gov/nsp	

Saint Paul Neighborhood Map



A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: *An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated*

plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

City of Saint Paul Consolidated Plan and Submission, 2005-2009

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult [this data](#), in developing this section of the Substantial Amendment.

Response:

Strategic Information Team and geographic indicators

Since early 2005, the number of mortgage foreclosures and vacant buildings has been on the rise in Saint Paul neighborhoods (see fig. 1). It became evident in mid-2006 to neighborhood groups, City staff, the City Council, and the Mayor that something needed to be done to respond to the emerging crisis. At the request of the Mayor, City staff in the Department of Planning and Economic Development created a Strategic Information Team to track various indicators in order to better understand the geographic extent of the foreclosure/vacant building crisis.

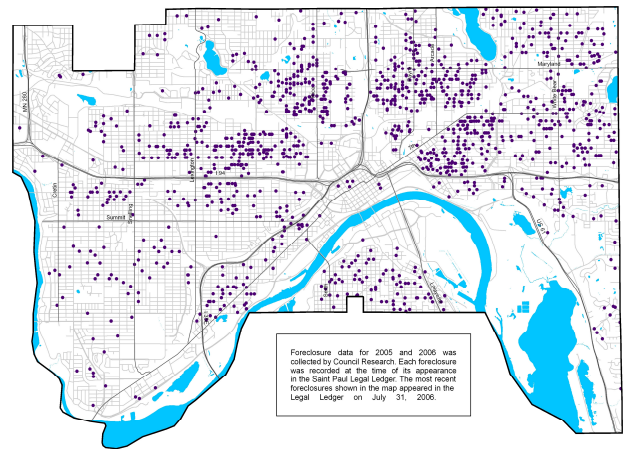


Fig. 1. Mortgage Foreclosures in Saint Paul, January 2005 through July 2006

Through the collection of data and creation of indicator maps, the Strategic Information Team was able to characterize the geographic extent of neighborhoods most in distress due to the mortgage foreclosure/vacant building crisis. The data was categorized into physical property indicators demonstrating signs of disinvestment, household stress indicators demonstrating financial difficulties at the household level, and social indicators showing areas in distress in terms of incidences of crime and other factors that negatively affect the “quality of life.” Figures 2 and 3 below are two examples of these indicators.

Physical Property Indicators:

- Residential Property Values
- Rental Registration Properties
- MLS Active Residential Property Listings
- Vacant Residential Buildings

Household Indicators:

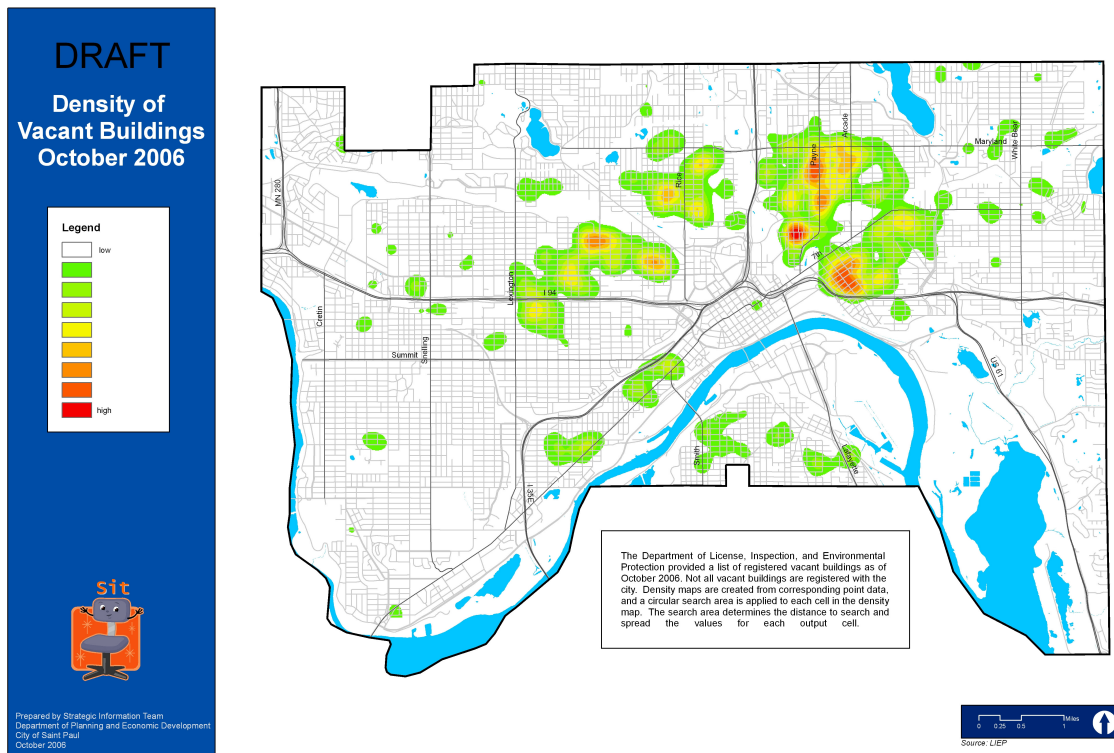
- Properties with Three or More Complaints
- Water Shutoffs
- Foreclosures

Social Indicators:

- Quality of Life Crimes
- Part I Crimes
- Arson & Fires
- Revoked Certificates of Occupancy

Fig. 2. Example of a Physical Property Indicator

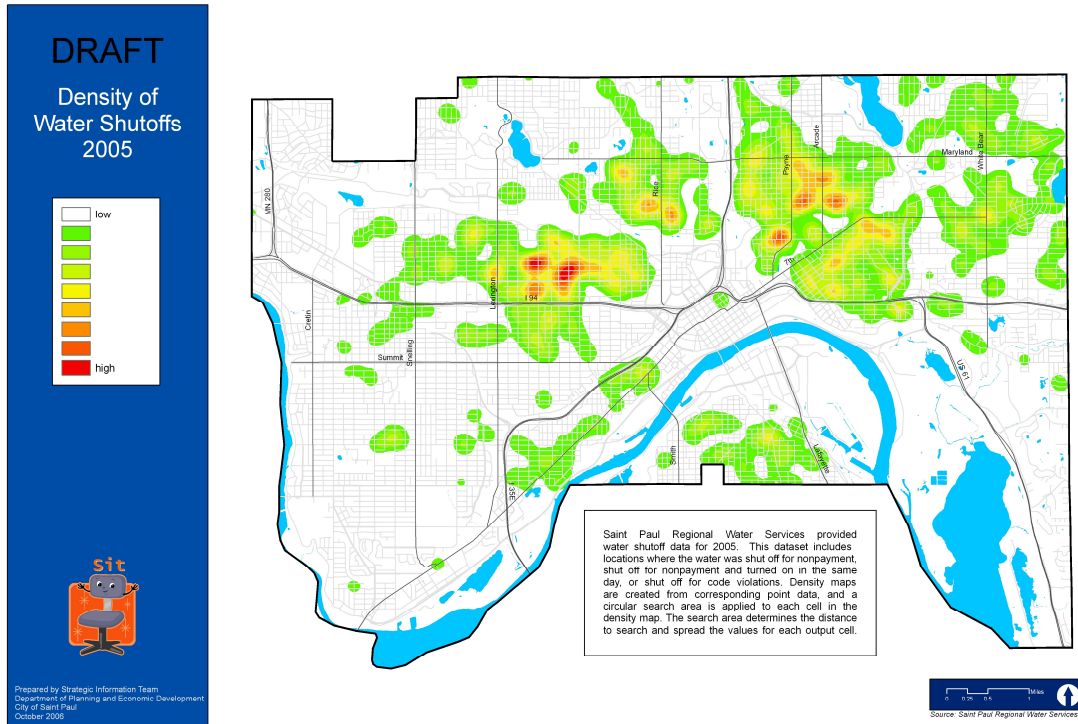
Areas of the city with a high number of vacant buildings are shown in yellow and red, and areas of the city with little or no vacant buildings are shown in white



Once a clearer picture emerged about the geographic extent of the crisis, a response was designed that to date has included both traditional bricks and mortar activities but also goes beyond addressing vacant properties and assisting homeowners experiencing foreclosure. Based on the data collected by the Strategic Information Team, “Priority Areas” were designated in four Saint Paul neighborhoods to target these activities to the areas of greatest need.

Fig. 3. Example of a Household Stress Indicator

Areas of the city with a high number of households that have experienced a shut off of water supply due to nonpayment of the water bill are shown in yellow and red, and areas of the city with little or no water shutoffs are shown in white

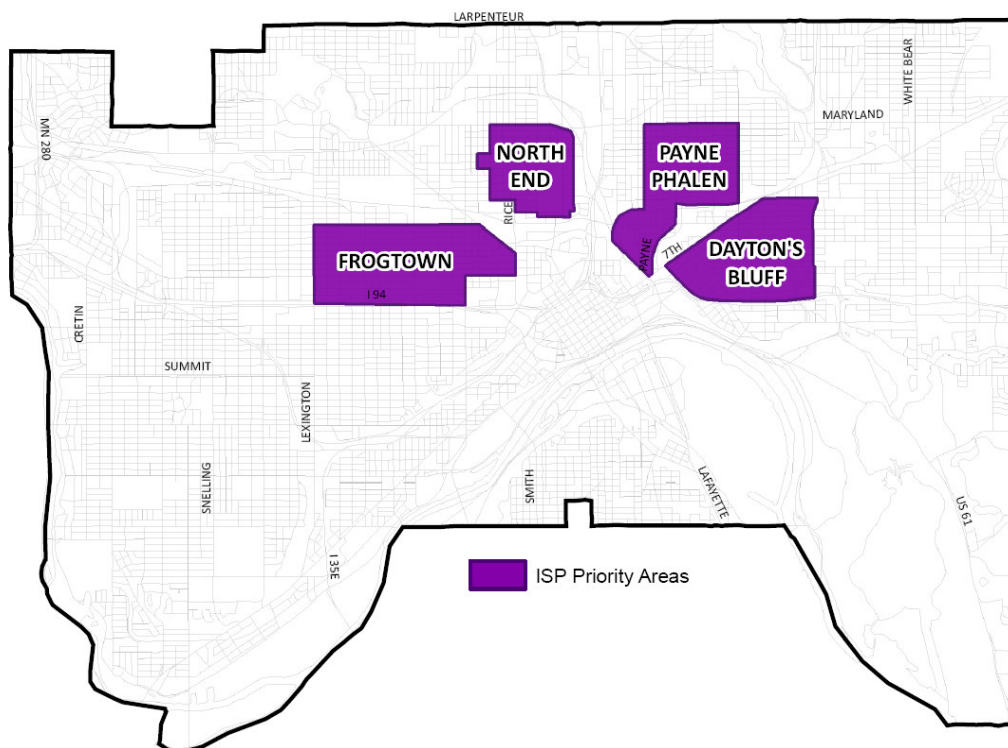


Ongoing Initiative: Invest Saint Paul

In April of 2007, Mayor Chris Coleman officially launched Invest Saint Paul as a key initiative to bring all the necessary and needed stakeholders committed to promoting, supporting and helping people grow viable and sustainable communities. Invest Saint Paul has represented a new comprehensive way of thinking about neighborhood reinvestment, in which local government teams up with a variety of public and private partners to direct existing resources and energy toward a set of neighborhood goals in a focused and strategic way.

In each of the four neighborhoods, residents and business owners have assessed their community's strengths and weaknesses. The findings have resulted in a coordinated effort that focuses improvements in the following areas: 1. jobs, workforce and neighborhood economic development; 2. urban environment and transit; 3. education, children, youth, families' health; and 4. improved housing, overall quality of life.

Fig. 4. Invest Saint Paul Priority Areas



On August 8th 2007, the Saint Paul Housing and Redevelopment Authority (HRA) board approved the Invest Saint Paul (ISP) Planning and Economic Development work plan and proposed budget of over \$66 million. The HRA board approved \$15 million of Sales Tax Revitalization (STAR) funds to “jumpstart” the work plan and rebuild neighborhoods hardest hit by the decline of the housing market and foreclosure crisis.

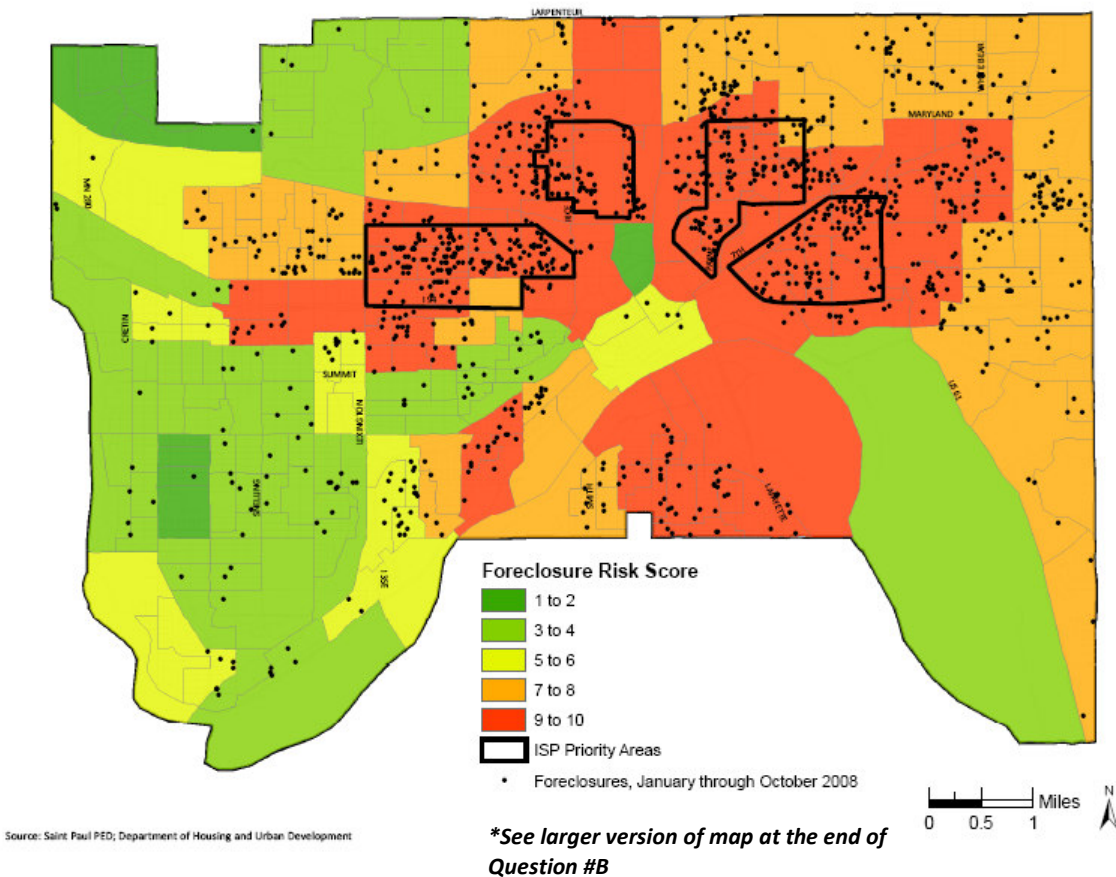
The \$66 million dollar proposed budget was broken up into six areas of focus. In order to meet the goals outlined in the work plan additional sources of funding are needed to supplement the original \$15 million from STAR. The financial resources provided by the Housing and Economic Recovery Act Neighborhood Stabilization Program will help continue the strategic programs of Invest Saint Paul.

HUD Foreclosure Risk Scores and Invest Saint Paul Priority Areas

While the foreclosure and abandonment risk scores developed by HUD to assist grantees in targeting the areas of greatest risk within their jurisdictions are based partially on high-cost loan data from 2004 to 2006, the block group areas identified by HUD as “high risk” are geographically consistent with the 2008 foreclosure data to date as well as the four priority areas identified in the ISP initiative.¹ Figure 5 below shows that ISP Priority Areas fall entirely within areas with the highest risk score category (9-10) or the second highest risk score category (7-8).

¹ http://www.huduser.org/publications/commdevl/nsp_target.html

Fig. 5.* Invest Saint Paul Priority Areas, Mortgage Foreclosures between January and October 2008, and HUD's Foreclosure Risk Scores



B. DISTRIBUTION AND USES OF FUNDS

*Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.*

Response:

To address Section 2301(c)(2) of HERA, several key factors must be considered in determining areas of greatest need, including areas with: 1) High percentages of home foreclosures; 2) High percentages of homes financed by a subprime mortgage related loan, and 3) A high likelihood of facing a significant rise in the rate of home

foreclosures.² An additional factor that is important to include in determining areas of greatest need is the number of vacant properties in an area. Neighborhood stability cannot be achieved by addressing only a concentration of properties that are foreclosed upon without addressing a concentration of properties that are vacant for other reasons.

While data on foreclosures and vacant buildings show that they continue to be concentrated mainly in ISP Priority Areas, zip code-level data suggests a broader distribution of subprime and delinquent subprime loans that encompasses both the ISP areas as well as some neighborhoods beyond them.

Foreclosures and Vacant Buildings

As shown in figure 5 above, foreclosures in Saint Paul neighborhoods continue to concentrate in clusters within a few neighborhoods (particularly those designated as ISP Priority Areas), though there is also evidence that there is a growing number of foreclosures in neighborhoods beyond the extent of ISP Priority Areas.

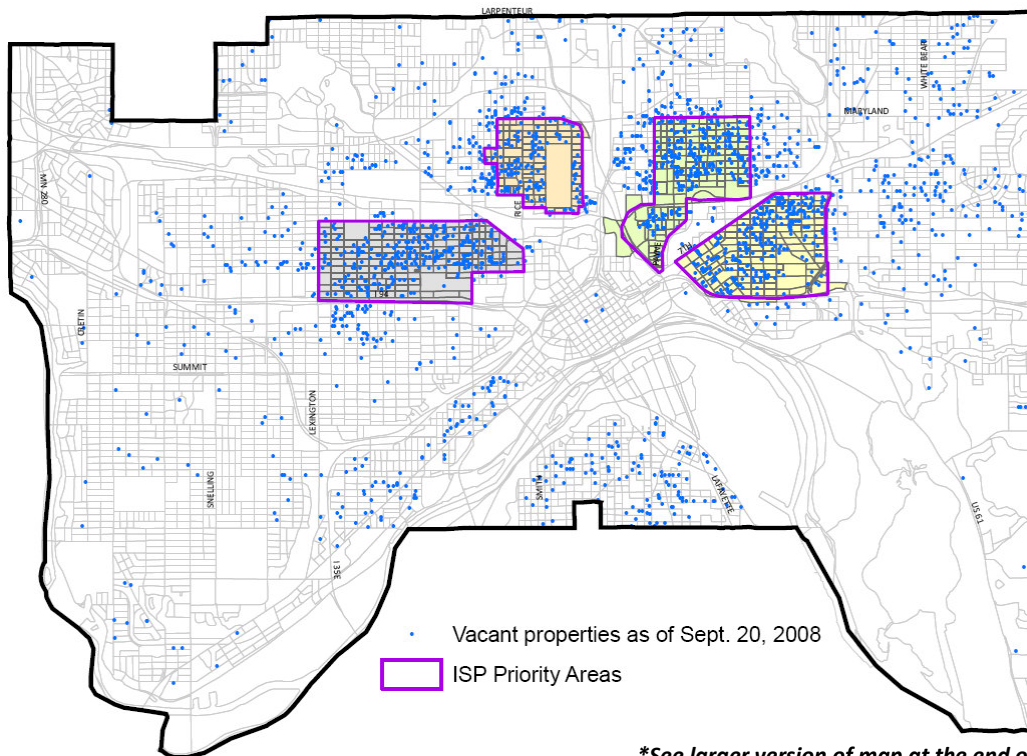
Fig.6. Foreclosures and Vacant properties in Saint Paul, 2008

City of Saint Paul	Number
Properties in foreclosure, January through October 2008	1,937
Vacant properties, as of Sept. 20, 2008	2,019
Overlap (vacant and foreclosed properties)	513

Given the number and concentration of vacant properties in certain parts of Saint Paul, vacant properties should be a key factor in demonstrating areas of greatest need of neighborhood stabilization. While one might expect a large overlap between properties that have been foreclosed upon and properties that are vacant, this is not necessarily the case (figure 6). Addressing vacant properties is supported by the NSP legislation, which directly specifies that “abandoned” and “blighted” structures are an eligible use with NSP funding (p. 31-32, Dept. of HUD, Docket #FR-5255-N-01). Figure 7 below shows the concentration and geographic extent of vacant properties in Saint Paul as of September 20, 2008. Vacant properties appear to cluster in the Invest Saint Paul Priority Areas.

² The concentration of delinquent subprime loans (those that are at least 90 days past due) is used as a proxy for indicating the extent to which an area is likely to face a significant rise in the number of foreclosures.

Fig. 7.* Vacant Properties in Saint Paul through September 20, 2008



**See larger version of map at the end of Question #B*

In addition to the various maps shown here, there are some telling statistics about the concentration of foreclosures and vacant buildings in ISP Priority Areas versus the rest of the city. Based on an analysis by City of Saint Paul staff (fig. 8), blocks within ISP Priority Areas have between 1.5 and 2.1 times as many foreclosures per housing unit as on an average block citywide, while blocks within ISP Priority Areas have between 3.2 and 4.0 times as many vacant properties per housing unit as on an average block citywide.³

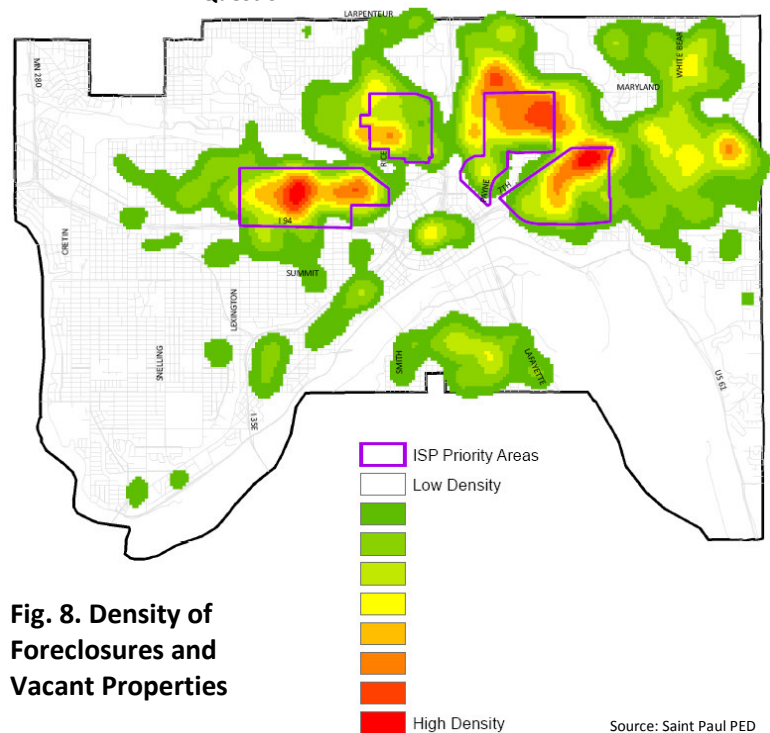


Fig. 8. Density of Foreclosures and Vacant Properties

Source: Saint Paul PED

³ The assumption is made that an average block is a traditional Saint Paul neighborhood block that measures 600 feet long and consists of 15 lots each measuring 40 feet wide.

Fig. 9. Concentration statistics about vacant and foreclosed properties in Saint Paul

	# Housing Units ¹	Fore-closures ²	Vacant Properties ³
Frogtown blocks <i>percent of total housing units</i>	5,075	167 3.3%	287 5.7%
North End blocks <i>percent of total housing units</i>	1,991	55 2.8%	129 6.5%
Payne Phalen blocks <i>percent of total housing units</i>	3,500	91 2.6%	246 7.0%
Dayton's Bluff blocks <i>percent of total housing units</i>	4,241	105 2.5%	272 6.4%
Non-ISP blocks, citywide <i>percent of total housing units</i>	100,906	1,424 1.4%	1,085 1.1%
Citywide, all blocks <i>percent of total housing units</i>	115,713	1,842 1.6%	2,019 1.7%

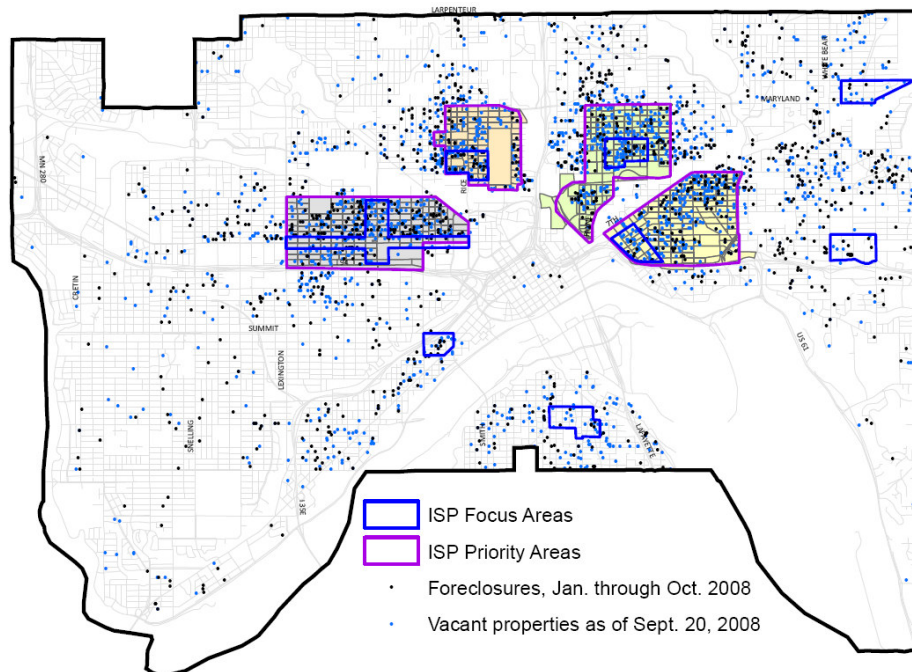
1. Total housing units, Census 2000

2. Total foreclosures through October 2008

3. Total vacant properties through September 20, 2008

Based on the number and extent of foreclosures and vacant buildings, areas of greatest need have expanded beyond the original ISP Priority Areas to include some additional areas – including new clusters within the Greater East Side, the West Side, and along W. 7th Street, as well as smaller focus areas within the original four Priority Areas (see Saint Paul neighborhood map at the beginning of this substantial amendment). These additional areas have already been accounted for in the ISP initiative by designating them as “Focus Areas” to reflect their particular needs at a more localized, block level (see fig. 9).

Fig. 10.* Invest Saint Paul Focus Areas



**See larger version of map at the end of Question #B*

Subprime Loans

The number and extent of subprime loans also show that areas of greatest need have expanded beyond the original ISP Priority Areas. Zip code-level data suggest that subprime loans are concentrated more broadly in zip codes in the eastern and middle parts of the city. Ninety percent of the city's subprime loans are located in seven of the city's zip codes.

Fig. 11. Zip Codes with a high concentration of Subprime Loans

Property Zip Code	City neighborhoods	Total Number of Subprime Loans	Percent of City Subprime Loans
55106	Dayton's Bluff, Payne-Phalen	1,304	28%
55104	Hamline-Midway, Frogtown, Merriam Park	671	15%
55117	North End	612	13%
55119	Highwood, Battle Creek, Greater East Side	578	13%
55101 & 55130	Payne-Phalen, Capitol Heights, Downtown	431	9%
55103	Frogtown, South Como, Summit-University	273	6%
55107	West Side	263	6%
55102	Downtown, W. 7th St.	204	4%
55116	Highland, W. 7th St.	108	2%
55105	Summit Hill, Mac Groveland	106	2%
55108	Saint Anthony Park, Como	44	1%
55114	Saint Anthony Park, Hamline-Midway	12	0%
Total		4,606	100%

greatest need zip codes

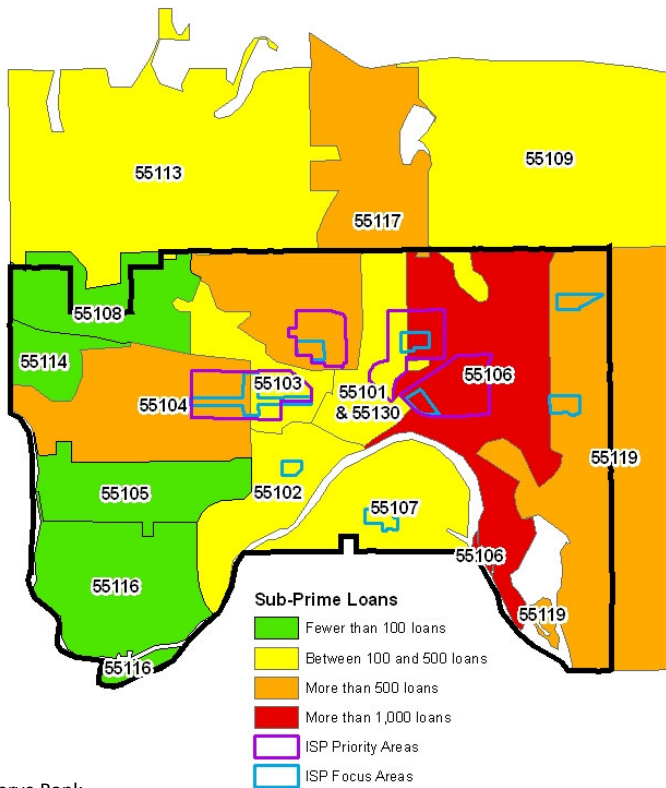


Fig. 12.* Zip Codes with a high concentration of Subprime Loans

Source: Federal Reserve Bank of Minneapolis, April 2008

0 0.5 1 Miles



**See larger version of map at the end of Question #B*

Areas at risk of experiencing a rise in the number of foreclosures

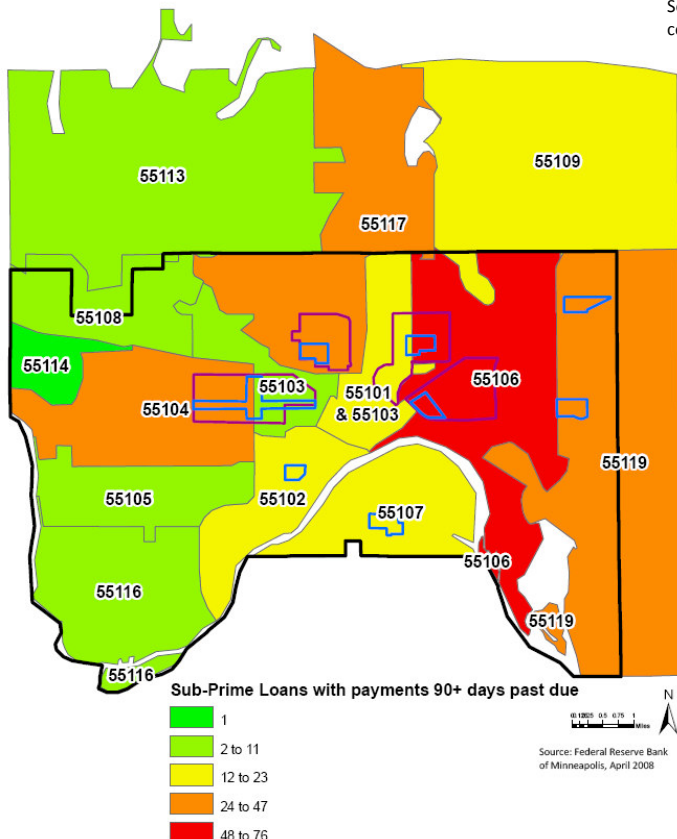
The number and extent of subprime delinquent loans, defined as subprime loans with a payment that is 90 or more days past due, also show that areas of greatest need have expanded beyond the original ISP Priority Areas. Zip code-level data suggest that delinquent loans are concentrated also more broadly in similar zip codes in the eastern and middle parts of the city as subprime loans. Ninety-one percent of the city's subprime loans with payments 90+ days past due are located in seven of the city's zip codes.

Fig. 13. Zip Codes with a high concentration of Subprime Loans with a payment 90+ days past due

Property Zip Code	City neighborhoods	Number of Subprime Loans with a Payment 90+ Days Past Due	Percent of City Subprime Loans with a Payment 90+ Days Past Due
55106	Dayton's Bluff, Payne-Phalen	76	27%
55119	Highwood, Battle Creek, Greater East Side	47	17%
55117	North End	37	13%
55104	Hamline-Midway, Frogtown, Merriam Park	36	13%
55107	West Side	23	8%
55101 & 55130	Payne-Phalen, Capitol Heights, Downtown	18	6%
55102	Downtown, W. 7th St.	16	6%
55103	Frogtown, South Como, Summit-University	8	3%
55116	Highland, W. 7th St.	6	2%
55105	Summit Hill, Mac Groveland	5	2%
55108	Saint Anthony Park, Como	4	1%
55114	Saint Anthony Park, Hamline-Midway	1	0%
Total		277	100%

greatest need zip codes

Fig. 14. Zip Codes with a high concentration of Subprime Loans with a payment 90+ days past due



Source: Federal Reserve data through April 2008. Note that subprime loan data is only available at the zip code level.

Funding Priority

While data on foreclosures and vacant buildings show that they continue to be concentrated mainly in ISP Priority Areas, zip code-level data suggests a broader distribution of subprime and delinquent subprime loans that encompasses both the ISP areas as well as some neighborhoods beyond them. The broader distribution of need indicated by these four data sets appears to reflect the need as indicated by HUD's foreclosure risk scores. Therefore, NSP funding will be primarily targeted to HUD block group areas with 7-10 risk scores (orange and red areas), with the majority of funding allocated to ISP Priority and Focus Areas.

Fig. 5. Invest Saint Paul Priority Areas, Mortgage Foreclosures between January and October 2008, and HUD's Foreclosure Risk Scores

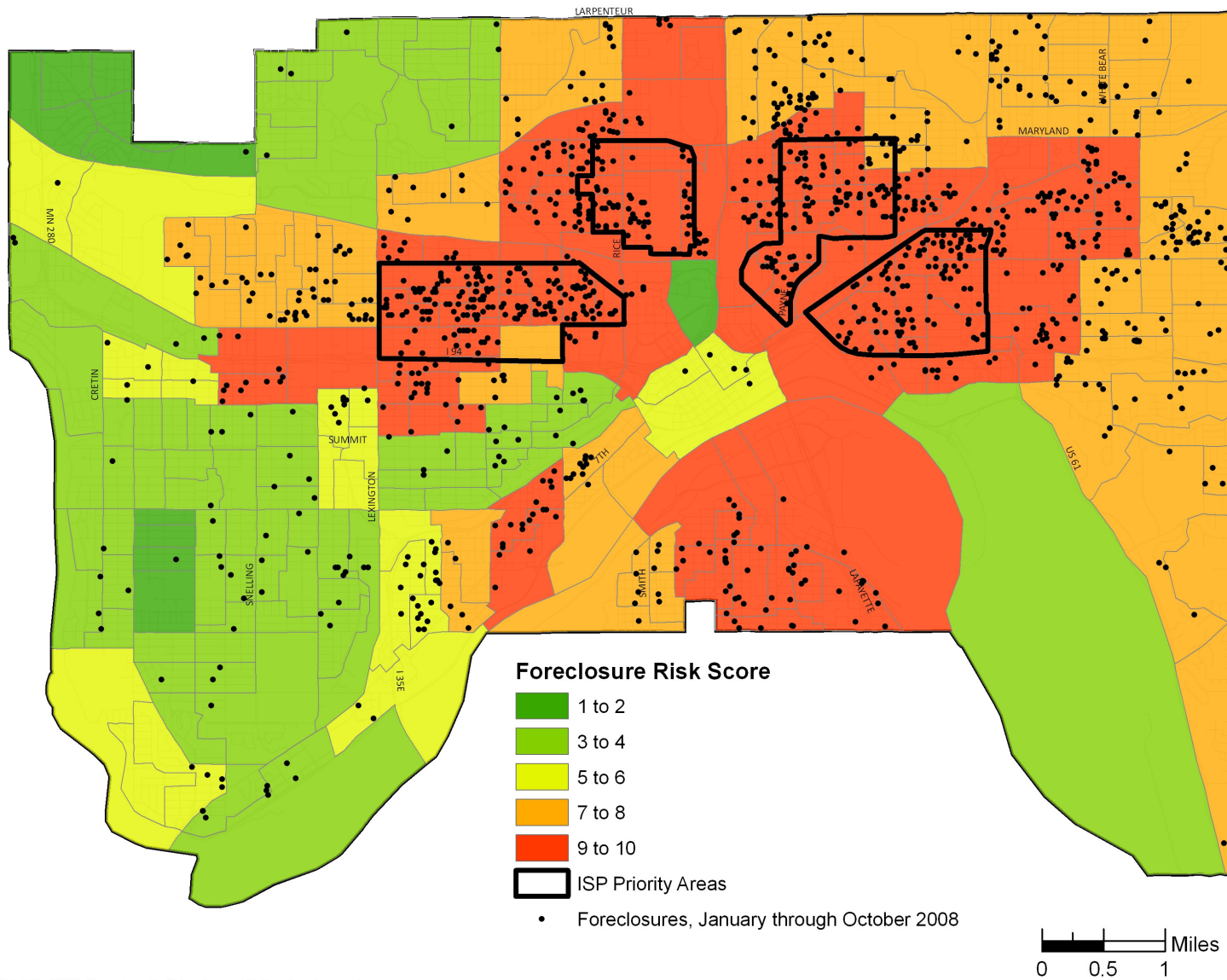
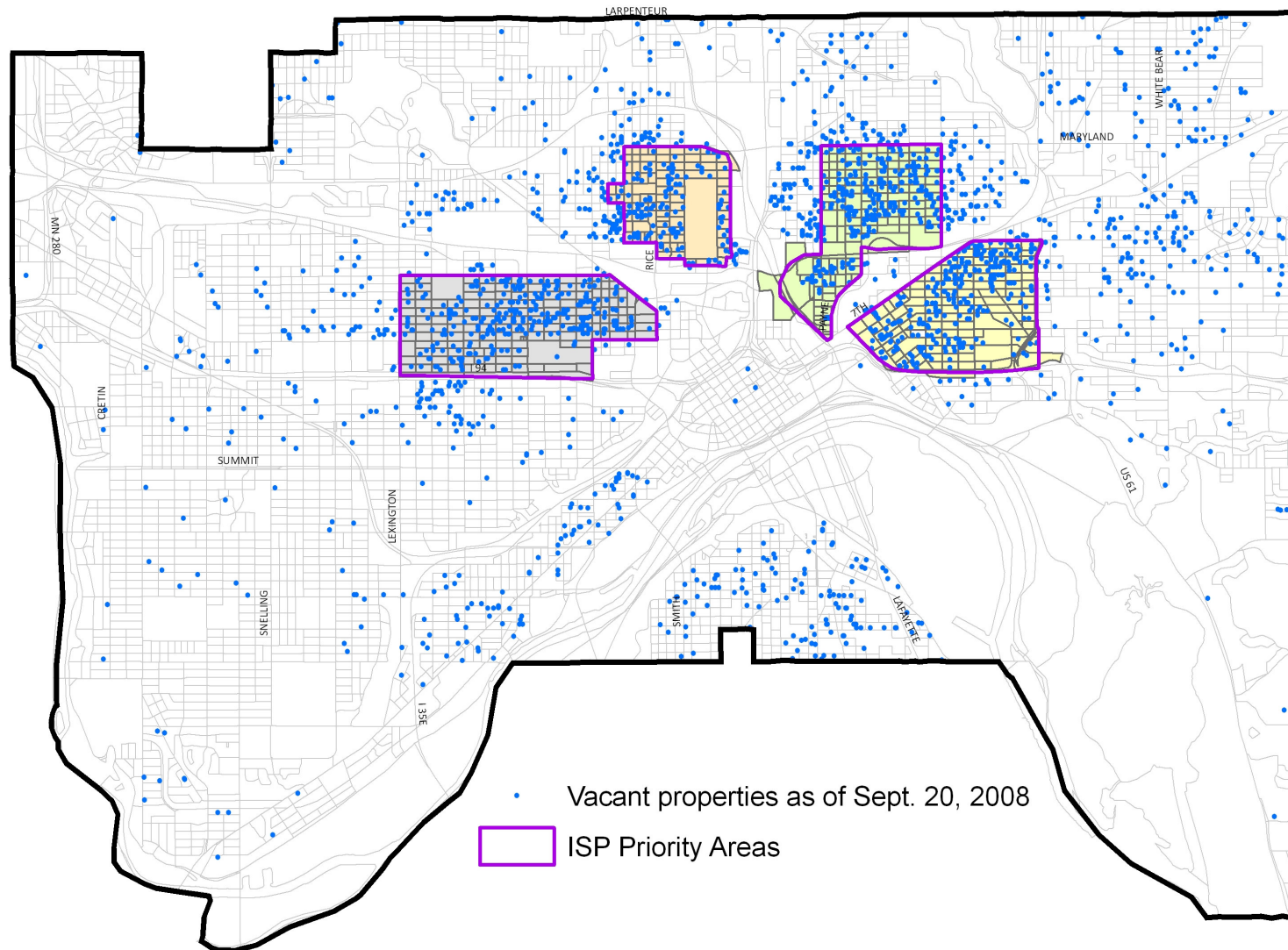


Fig. 7. Vacant properties in Saint Paul through September 2008



Source: Saint Paul PED

11/26/08

Fig. 10. Invest Saint Paul Focus Areas

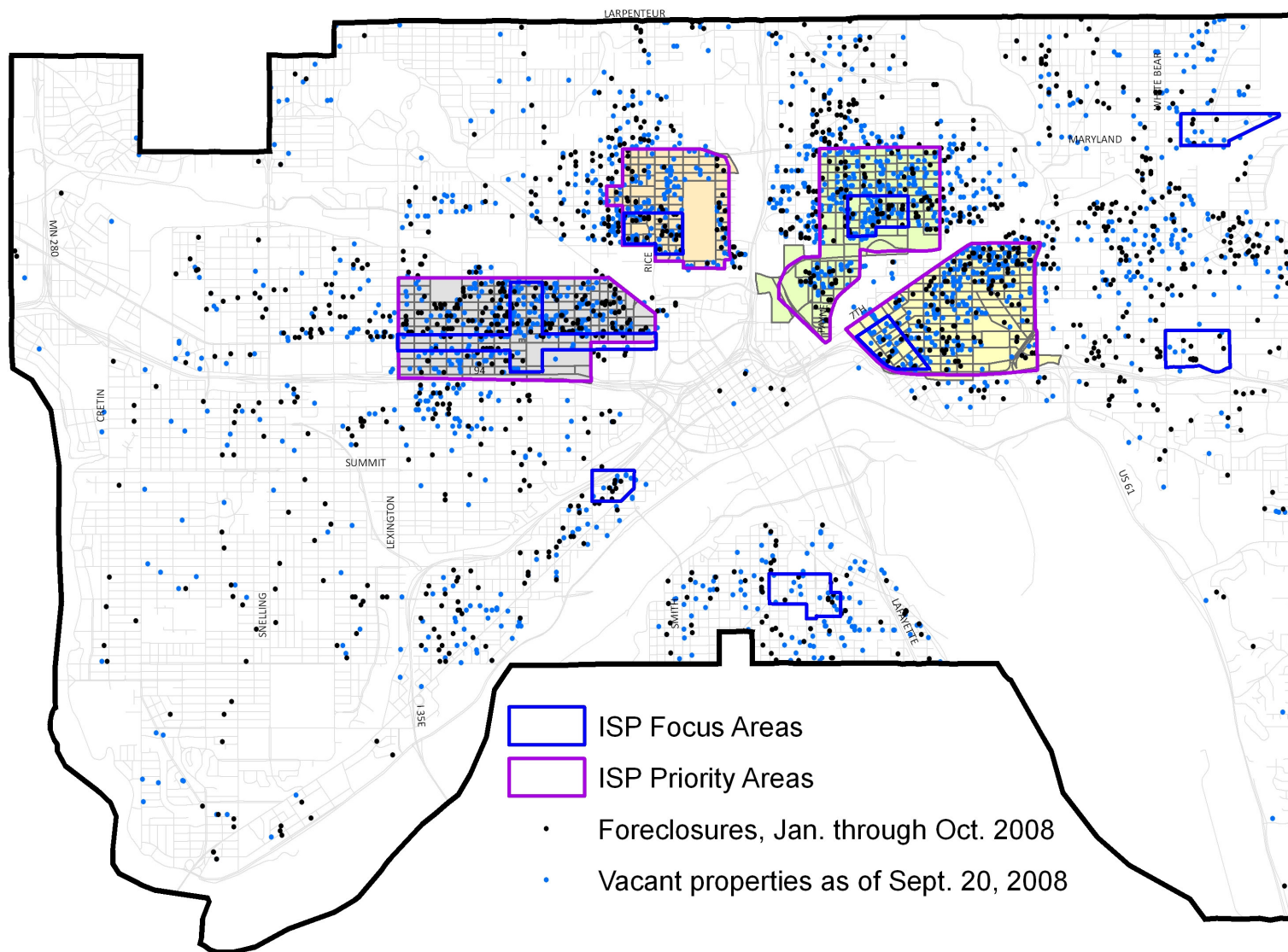
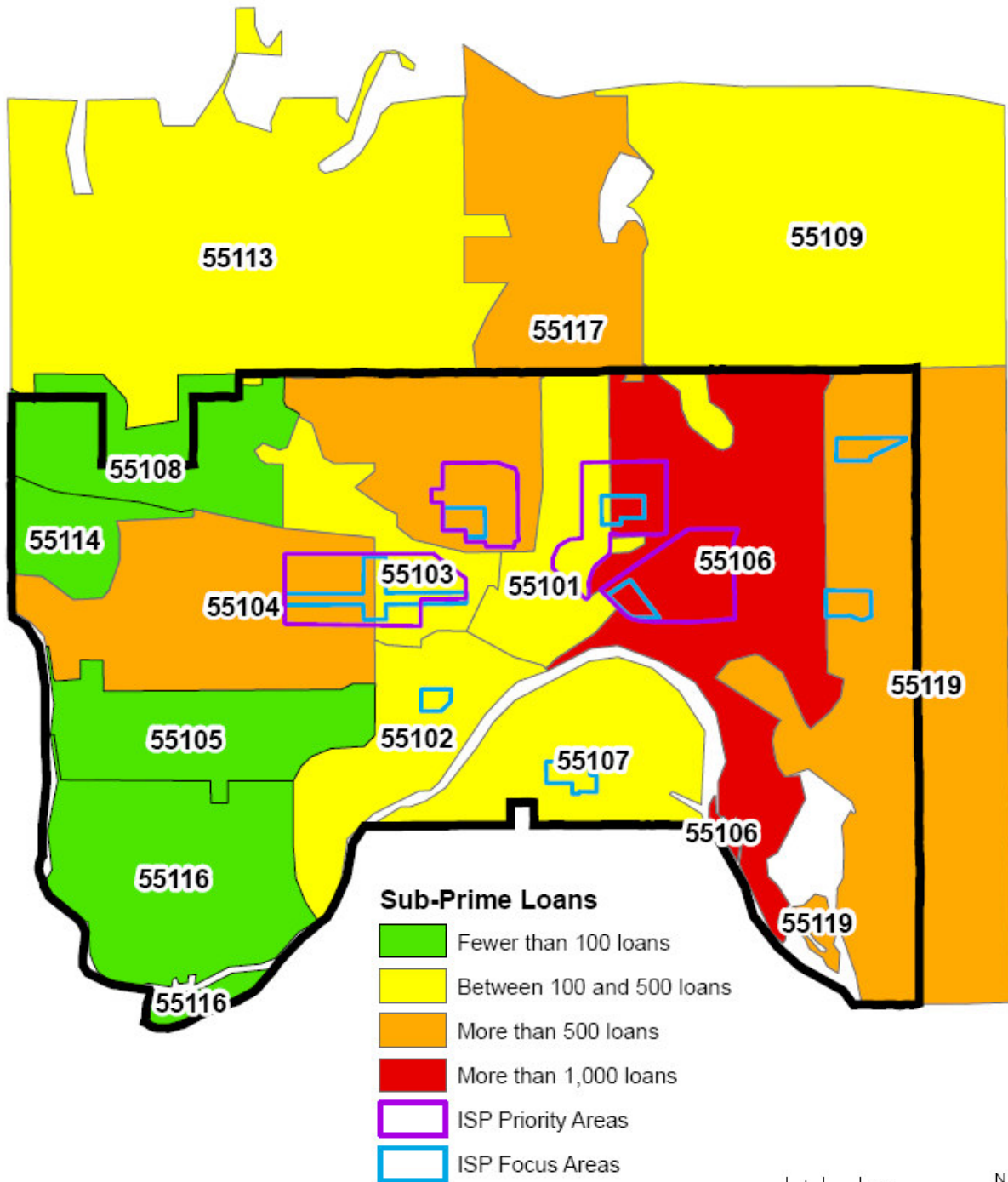


Fig. 12. Zip Codes with a high concentration of Subprime Loans



Source: Saint Paul PED, Federal Reserve Bank of Minneapolis

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response: A structure is blighted when it exhibits signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare, or has serious structural deficiencies and the cost to rehabilitate to property standards will exceed 50% of the appraised value after rehabilitation. (“blighted structure” is not defined in local codes, but this definition is consistent with the definition of a “dangerous structure” found in local code.)

*(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.*

Response: Fair Market Rents established by the Department of Housing & Urban Development, including a utility allowance if utilities are paid by the tenant.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response: At a minimum, the following affordability requirements will be enforced through covenants or deed restrictions placed on NSP assisted properties.

Less than \$15,000 of NSP funds - 5 year affordability period
\$15,000 to \$40,000 of NSP funds – 10 year affordability period
More than \$40,000 of NSP funds – 15 year affordability period

If there is a change of ownership before the end of the affordability period the City will require resale to an income eligible homebuyer if the NSP assistance is used for value gap, or repayment of the NSP funds (not to exceed net proceeds) if the assistance is used for downpayment assistance or equity participation.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response: The Minimum Property Maintenance Standards For All Structures and Premises in order to receive a Certificate of Occupancy (Chapter 34 of the Saint Paul legislative Code) which can be found at: <http://www.municode.com/Resources/gateway.asp?pid=10061&sid=23> . The City also has a sustainability initiative, which makes properties more environmentally and financially sustainable by incorporating proven practices that demonstrate significant measurable results, which will apply to NSP rehabilitation and redevelopment activities.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$1,075,563.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response: The City will meet this requirement by creating Habitat for Humanity units which limit homebuyer income to 50% of AMI, Model Cities/Aurora St. Anthony (MCASA) lease-purchase units which provide homeowner opportunities to homebuyers at 50% of AMI, and possibly some small rental properties affordable to tenants at 50% Of AMI.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- *The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.*

Response: The city estimates that it will acquire and demolish approximately 27 vacant properties with NSP funding.

NSP funding will be used to produce (through rehabilitation or new construction) approximately 20 housing units which will be made available for households at or below 50% of area median income. An additional 40 housing units are anticipated to be produced and made available for households at or below 120% of area median income. The City also anticipates that additional units will be produced as sales proceeds (NSP program income) are revolved.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: *proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.*

Response: On November 7, 2008 the Draft NSP Plan was posted on the City's website, and a public notice was published in the Pioneer Press. The City accepted public comments for 15 calendar days, and also held a public hearing on November 17, 2008.

The City received the following oral comments on the NSP Plan at the public hearing, which are summarized below.

- Comment that the City may not be able to acquire the most strategic properties if it limits acquisitions to a bulk purchase.
- Comment that encouraged the City to utilize trained homeless workers in the redevelopment of properties, and also recommended a resource for identifying quality landlords.
- Comment that identified properties that were believed to be available that could provide a large number of units.
- Comment that expressed concern that the NSP funds would not be distributed fairly or used in the most needy areas of the City, and encouraged the City to provide more units to households at or below 50% AMI, and to do everything possible to get homebuyers into a good mortgage product.
- Comment wondering what the process will be for demolishing properties acquired with NSP funds.

The City received the following written comments, which are summarized below.

- Comment encouraging the City to have a majority of the units developed go to households at or below 50% AMI, to make units available to people currently residing in the area, to make the housing available as soon as possible, and to affirmatively further fair housing.
- Comment encouraging the City to use a system to ensure energy efficiency, indoor air quality, and durability in the rehabilitation and development of units.
- Comment asking for more specific information on how the NSP 25% requirement will be met, as well as the disposition strategy for vacant homes and lots, and expressing concerns that other funds will be reprogrammed from their present use to supplement NSP activities.
- Comment expressing concern about the City complying with the Section 3 requirements.
- Comment encouraging the City to incorporate modern green building and energy efficiency practices in NSP activities in order to keep operating costs low, to provide homeowner education, and to practice re-use in demolition.
- Comment encouraging the City to ensure that communities maintain neighborhood fabric and build off of architectural/historic assets, and also encouraging the City to use NSP funds for historic survey work, code enforcement and maintenance, and the development of community market recovery goals.

While developing the plan, the City had considered many of the issues raised by commentors, and there was discussion of these issues at the public hearing. The City's response to other comments is that it intends to carry out eligible NSP activities in conformance with all applicable regulations, that it plans to acquire properties strategically, and that all re-use suggestions will be taken into consideration before the re-use takes place. The City provided written responses to each written comment.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: Acquisition & Demolition of Vacant Residential Buildings

(2) Activity Type (include NSP eligible use & CDBG eligible activity):

NSP: Establish land banks for foreclosed homes, Demolish blighted structures

CDBG: Acquisition, Clearance, Disposition

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

Provide or improve permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (LMMH): or

Serves an area in which at least 51% of the residents have incomes at or below 120% of area median income (LMMA)

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Vacant residential properties that have been foreclosed upon will be acquired in a bulk purchase or other negotiations, and the structures will be cleared by the City. Some of the vacant lots will be sold and have new homes constructed on them when the housing market improves. The homes will be developed by Habitat for Humanity, neighborhood CDCs, or other contractors/developers. Some of the homes will meet the 50% of area median income requirement. All NSP-assisted homebuyers are required to have a Certificate of Homeowner Training, and will have received at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.

The lots which are not suitable for new construction will become neighborhood open spaces or community gardens.

The ongoing costs of maintaining the lots will be paid with NSP funds, NSP program income, and local funding sources.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

This activity will be carried out in the Areas of Greatest Need, identified in Section A of this document, primarily in the Dayton's Bluff, Payne-Phalen, North End, and Frogtown neighborhoods.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Approximately 27 vacant residential structures will be acquired and cleared with NSP funds. It is anticipated that approximately 90 additional vacant structures primarily located in these areas will be cleared with other City funds or by private property owners.

(7) Total Budget: (Include public and private components)

\$947,000 of NSP funding.

\$1,800,000 of mortgage funding.

\$500,000 of other City or property owner demolition funding.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

City of Saint Paul/HRA, 25 W. 4th St., Saint Paul, MN, 55102
Tom Sanchez 651-266-6617.

(9) Projected Start Date: 10/1/2008

(10) Projected End Date: 10/1/2018

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate:

The City will secure an appraisal for each property, and will require a minimum of a 5% discount for each individual NSP property purchased. The City will also set up a tracking system and review progress for meeting the 15% overall discount on a quarterly basis.

For financing activities, include:

- range of interest rates

For housing related activities, include:

- duration or term of assistance;

The NSP affordability period, identified in the Definitions & Descriptions section of this document.

- tenure of beneficiaries--rental or homeownership;

Homeownership

- *a description of how the design of the activity will ensure continued affordability*

Covenants or deed restrictions will be placed on the properties enforcing the affordability periods identified in the Definitions & Descriptions section of this document.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Acquisition of Vacant Residential Buildings for Future Resale**

(2) Activity Type (include NSP eligible use & CDBG eligible activity):

NSP: Purchase & rehabilitate foreclosed homes in order to sell, rent or redevelop.

CDBG: Acquisition, Rehabilitation, Disposition

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

Provide or improve permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (LMMH)

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Vacant residential properties will be acquired by the City in a bulk purchase or other negotiations, and will be held for future disposition to income eligible homebuyers, or owner occupants of small rental properties. It is anticipated that these properties will require fairly substantial rehabilitation, and will not be sold to end buyers until the housing market improves and other negative influences begin to change.

The homes will be developed by Habitat for Humanity, neighborhood CDCs, or other contractors/developers. Some of the homes will meet the 50% of area median income requirement. All NSP-assisted homebuyers are required to have a Certificate of Homeowner Training, and will have received at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.

The ongoing holding costs of these properties will be paid with NSP funds, NSP program income, and local funding sources.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

This activity will be carried out in the Areas of Greatest Need, identified in Section A of this document, primarily in the Dayton's Bluff, Payne-Phalen, North End, and Frogtown neighborhoods.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Approximately 26 residential properties will be purchased and held with NSP funds for future disposition to households at or below 120% of area median income. Some of the homes will meet the 50% of area median income requirement.

(7) Total Budget: (Include public and private components)

\$1,305,000 of NSP funding

\$3,120,000 of mortgage financing

\$1,040,000 of other City/owner/other financing

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

City of Saint Paul/HRA, 25 W. 4th St., Saint Paul, MN, 55102, Tom Sanchez
651-266-6617.

(9) Projected Start Date: 10/1/08

(10) Projected End Date: 10/1/18

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate:

The City will secure an appraisal for each property, and will require a minimum of a 5% discount for each individual NSP property purchased. The City will also set up a tracking system and review progress for meeting the 15% overall discount on a quarterly basis.

For financing activities, include:

- range of interest rates

For housing related activities, include:

- duration or term of assistance;

The NSP affordability period, identified in the Definitions & Descriptions section of this document.

- tenure of beneficiaries--rental or homeownership;

Homeownership, and possible owner occupied rental.

- a description of how the design of the activity will ensure continued affordability

Covenants or deed restrictions will be placed on the properties enforcing the affordability periods identified in the Definitions & Descriptions section of this document.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: Acquisition & Resale of Vacant Residential Buildings

(2) Activity Type (include NSP eligible use & CDBG eligible activity):

NSP: Purchase & rehabilitate foreclosed homes in order to sell, rent or redevelop.

CDBG: Acquisition, Rehabilitation, Disposition

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income). Low/moderate/middle income Housing (LMMH) or Low/moderate middle income Area*

Provide or improve permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (LMMH)

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Vacant residential properties will be acquired by the City in a bulk purchase or other negotiations, rehabilitation specifications will be completed, and the properties will be sold to income eligible homebuyers using non-NSP purchase/rehabilitation financing. It is anticipated that these properties will not require substantial rehabilitation, and will be sold to end buyers relatively quickly. Holding costs will be paid with NSP funds. All NSP assisted homebuyers are required to have a Certificate of Homeowner Training, and will have received at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.

(5) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

This activity will be carried out in the Areas of Greatest Need, identified in Section A of this document, primarily in the Dayton's Bluff, Payne-Phalen, North End, and Frogtown neighborhoods.

(6) Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).*

Approximately 27 residential properties will be purchased with NSP funds, and sold to households at or below 120% of AMI. Some of the properties may be sold to households at 50% of AMI, through contractual agreements with Habitat, MCASA, or other developers. It is anticipated that additional residential properties will be purchased and sold as the sales proceeds are recycled.

(7) Total Budget: (Include public and private components)

\$1,620,025 of NSP funding

\$3,240,000 of purchase/rehabilitation financing

\$1,080,000 of City/owner/other financing

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

City of Saint Paul/HRA, 25 W. 4th St., Saint Paul, MN, 55102, Tom Sanchez
651-266-6617.

(9) Projected Start Date: 10/1/08

(10) Projected End Date: 10/1/13

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate:

The City will secure an appraisal for each property, and will require a minimum of a 5% discount for each individual NSP property purchased. The City will also set up a tracking system and review progress for meeting the 15% overall discount on a quarterly basis.

For financing activities, include:

- range of interest rates

For housing related activities, include:

- duration or term of assistance;

The NSP affordability period, identified in the Definitions & Descriptions section of this document.

- tenure of beneficiaries--rental or homeownership;

Homeownership

- a description of how the design of the activity will ensure continued affordability

Covenants or deed restrictions will be placed on the properties enforcing the affordability periods identified in the Definitions & Descriptions section of this document.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **NSP Administration**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity):

Administration

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

N/A

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Administration activities associated with the Neighborhood Stabilization Program.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

N/A

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

N/A

(7) Total Budget: (Include public and private components)

\$430,224 of NSP funding

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

City of Saint Paul/HRA

(9) Projected Start Date: 10/1/08

(10) Projected End Date: 4/1/10

(11) Specific Activity Requirements: N/A

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

For housing related activities, include:

- *duration or term of assistance;*
- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*